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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/785,415

02/25/2004

Clayton A. Davis

5997.0036

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02/19/2010

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EXAMINER

VEZERIS, JAMES A

ART UNIT

PAPER NUMBER

3693

MAIL DATE

DELIVERY MODE

02/19/2010

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/785,415	<b>Applicant(s)</b> DAVIS, CLAYTON A.	
	<b>Examiner</b> JAMES A. VEZERIS	<b>Art Unit</b> 3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 26 October 2009.
- 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1,5,10,11,13-21 and 23 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1,5,10,11,13-21 and 23 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |   |   |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)                    | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)         | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____   | 6) <input type="checkbox"/> Other: _____                          |

### **Final Action**

1. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

### **Pre-Exam Formalities**

2. Claims 1, 5, 10, 21, and 23 are amended.
3. Claim 12 is cancelled.
4. Claims 1, 5, 10, 11, 13-21, and 23 are currently pending.

### **Response to Applicant's Arguments**

5. Applicant's arguments, see Page 14, filed 10/26/2009, with respect to the rejection of claims 1, 5, 10, 21, and 23 under 112 2<sup>nd</sup>, have been fully considered but are not found persuasive. Examiner appreciates the applicant indicating the areas of the specification for clarification of the claim language. Although the claims are

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interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

As such it is still unclear from the claim language exactly what is meant by “the guarantee feature indicating that payment must be made on a guarantee claim and reimbursement sought after satisfying the guarantee claim.” Applicant must indicate who is seeking reimbursement in the claim language.

6. Applicant’s arguments, see Page 13, filed 10/26/2009, with respect to the rejection of claims 5 under 112 2<sup>nd</sup>, have been fully considered and are found persuasive. The rejection has been withdrawn. Examiner apologizes for incorrectly stating claim 10 in the rejection.

7. Examiner, as indicated by the applicant, agreed during the interview on 9/29/2009, that the new claim language “paying excess income to holders of the junior class of securities until the guarantee claim is made” was not found on page 1214 of Sosin. However, after thoroughly reading through the information of Sosin it appears the claim language is found in the art.

#### **Claim Rejections- 35 U.S.C. 112 2<sup>nd</sup> Paragraph**

8. Claims 1, 5, 10, 21, and 23 and their dependents are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. It is unclear whom or what is being reimbursed after the payment is made on the guarantee claim. Examiner assumes the reimbursement is sought by the payor of the guarantee.

**Claim Rejections- 35 U.S.C. 103(a)**

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. Claims 1, 5, 10, 12-21, and 23 rejected under 35 U.S.C. 103(a) as being unpatentable over US-PG Pub 2002/0065753 to Schloss et al. (Hereinafter "Schloss") in view of Savage an attractive option, but beware of risks. (Hereinafter "Savage") in further view of "On the Valuation of Federal Loan Guarantees to Corporations" by Howard B. Sosin. (Hereinafter "Sosin")

**Regarding Claims 1, 5, 10, 21, and 23.**

Schloss teaches:

based on the single trust, establishing, at the processor, a junior class of securities, such that the junior class of securities serves as collateral; (Paragraph 76)

issuing the senior class of securities and the junior class of securities, such that the junior and senior classes of securities are backed by the assets of the single trust. (Paragraphs 76-79)

Schloss fails to teach that tax-exempt bonds are in a single trust;

based on the single trust, establishing, a senior class of securities, such that the senior class of securities includes a guarantee feature, the guarantee feature indicating

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that payment must be made on a guarantee claim and reimbursement sought after satisfying the guarantee claim; and

paying excess income to holders of the junior class of securities until the guarantee claim is made

Savage teaches tax-exempt bonds are in a single fund; (See Savage)

Schloss then teaches taking the tax-exempt fund and turning it into a single trust. (Paragraph 76)

Sosin teaches based on the single trust, establishing, a senior class of securities, such that the senior class of securities includes a guarantee feature, the guarantee feature indicating that payment must be made on a guarantee claim and reimbursement sought after satisfying the guarantee claim (See Section IV)

paying excess income to holders of the junior class of securities until the guarantee claim is made (See Section IV page 1215. Examiner relies on: "The first term on the RHS of relation (8) is the present value of the guaranteed (and therefore riskless) portion of the subordinated debt. It is the guaranteed payment ( $aXG$ ) discounted at the riskless rate of interest. The second term is the value of the risky portion of subordinated debt plus the value of equity; it is the value that remains after the senior debt and the riskless portion of subordinated debt have been paid, plus the value of the proportional dividend stream. " Examiner reads the applicant's claim to be senior bonds and junior bonds in their usual usage of the field. As such the Jr bonds and shareholder dividends are junior class securities. These pay interest and dividends until there is a call on the bonds. If the bonds are called, dividends stop paying and the senior class is

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paid their value first. All excess money is paid to the junior class then shareholders. This is not excess income at this point but rather the companies net worth.)

It would have been obvious to one of ordinary skill in the art to include tax-exempt bonds are in a single fund, and indicating that payment must be made on a guarantee claim and reimbursement sought after satisfying the guarantee claim in Schloss as taught by Savage and Sosin, respectively, since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

**Regarding Claim 13.**

Schloss further teaches establishing the senior class, such that the senior class includes a liquidity feature. (Paragraph 77)

**Regarding Claim 14.**

Schloss further teaches establishing the junior class to serve as collateral for the senior class failing to satisfy the guarantee feature. (Paragraph 76)

**Regarding Claim 15.**

Schloss further teaches selling the senior class of securities. (Paragraph 76)

**Regarding Claim 16.**

Schloss fails to further teach holding, in the single trust, a plurality of tax-exempt bonds.

Savage teaches holding, in the single fund, a plurality of tax-exempt bonds.

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It is obvious for one skilled in the art at the time of the invention to combine Schloss and Savage, to create a single trust, comprised of a plurality of tax-exempt bonds.

There is motivation to do so because Schloss is already set up to utilize a trust, and by using the fund described in Savage obvious tax advantages would be realized.

**Regarding Claim 17.**

Schloss fails to further teach holding, in the single trust, interest in a plurality of tax-exempt bonds.

Savage teaches holding, in the single fund, interest in a plurality of tax-exempt bonds.

It is obvious for one skilled in the art at the time of the invention to combine Schloss and Savage, to create a single trust of tax-exempt bonds.

There is motivation to do so because Schloss is already set up to utilize a trust, and by using the fund described in Savage obvious tax advantages would be realized as well as interest advantages.

**Regarding Claim 18.**

Schloss fails to further teach holding, in the single trust, a plurality of municipal bonds.

Savage teaches holding, in the single fund, a plurality of municipal bonds.

It is obvious for one skilled in the art at the time of the invention to combine Schloss and Savage, to create a single fund containing a plurality of municipal bonds.



There is motivation to do so because Schloss is already set up to utilize a trust, and by using the fund described in Savage obvious tax advantages would be realized as well as interest advantages.

**Regarding Claim 19.**

Schloss further teaches:

holding, in the single trust, a plurality of taxable bonds. (Paragraph 76)

**Regarding Claim 20.**

Schloss further teaches establishing the senior class of securities comprises:  
establishing the senior class by establishing a first percentage representative of securities that serve as the senior class and a second percentage representative of securities that serve as the junior class. (Paragraph 76)

8. Claim 11 is rejected under 35 U.S.C. 103(a) as being unpatentable over Schloss in view Savage in further view of Sosin in further view of Official Notice.

**Regarding Claim 11.**

Schloss fails to further teach using, as the single trust, a virtual trust.

However, Official Notice is taken that at the time of the invention virtual accounts (internet based) were old and well known.

It would be obvious to combine Schloss in view of Official Notice.

There is motivation to do so because it allows Schloss to function on a computer, where the account can be accessed anywhere.

### **Conclusion**

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAMES A. VEZERIS whose telephone number is (571)270-1580. The examiner can normally be reached on Monday-alt. Fridays 7:30am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on 571-272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/James A. Kramer/  
Supervisory Patent Examiner, Art Unit 3693

/JAMES A VEZERIS/  
Examiner, Art Unit 3693

2/12/2010